



Medicaid in Schools

Special Interests

MEDUCAID NEWS

- IEP Nursing Services
- IEP Transportation
- Medicaid Check is 75% discretionary federal \$

Check It Out!
Most recent Medicaid - Tool Kit - Dec. 2010
Billing Guide - Oct. 2010
SuperMail - Apr. 30, 2010

Coming Soon...
Billing instructions for IEP Nursing (R.N.) and Transportation Services

A Dollar \$tretcher for Tough Times

Welcome to the first issue of the Medicaid in Schools newsletter. In these virtual pages the Indiana Department of Education hopes you will find helpful and timely information for school corporations interested in recovering some of the costs for providing health-related special education services such as speech-language pathology, occupational and physical therapy, audiology, psychological evaluations and behavioral health services.

In 1991 the Indiana General Assembly passed a bill (HB 1001) requiring all public school corporations to enroll as Indiana Medicaid program providers. Indiana Code §12-15-1-16 requires Medicaid enrollment but does not require that school corporations participate in Medicaid claiming. Indiana's legislation

was preceded by a change to federal law (Title XIX of the Social Security Act) in which Congress clarified that Medicaid may reimburse schools for covered Part B services provided to Medicaid-enrolled students.

By claiming Medicaid reimbursement for covered IEP or IFSP services to eligible students, school corporations recover the available federal matching funds (currently 75% of every Medicaid payment) for costs to provide medically necessary services to eligible children with disabilities that are otherwise financed with other state and local dollars. Drawing down legitimate federal financial participation in the costs of Part B services helps stretch state and local education funds to support learning among all students.

The Department's OST Is Ready to Help

Because the Indiana Department of Education wants to be an active partner and resource to all school corporations, IDOE offers its Operations Support Team (OST) to review local operations and share expertise in the following areas of support:

- Fiscal
- Operations/Organization
- Human Resources

The Department's experience creating efficiencies may be of value to schools planning top

flight education systems while facing operational and fiscal challenges. To schedule the OST for assistance with budget development, revenue and expenditure projections, insight into ARRA funding and Medicaid claiming opportunities, org chart efficiencies, business process best practices, purchasing, facilities and risk management, recruitment and retention strategies, writing job descriptions and evaluations, or analyzing salary and benefits cost, please contact Debra Hinson, IDOE Finance, at dhinson@doe.in.gov.

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Did you know?

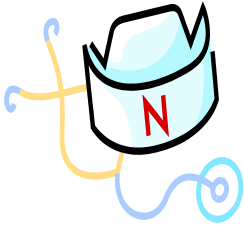
- Medicaid reimburses for covered OT, PT, Psych, Speech, and Audiology services listed in the IEP of a Medicaid-eligible student.
- One hundred six Indiana school corporations bill Medicaid for covered IEP services.
- Indiana schools claimed Medicaid payments totaling nearly \$2.9 million last year.
- In 2010, 75% of each Medicaid check is additional federal funding to use as the school corporation chooses.

In future issues:

Records Retention
Do's and Don'ts

Conference
Connections

Parental Consent to
Bill Medicaid



Approved to be added as a Medicaid-covered service: IEP nursing care provided by an R.N.

“Thanks to the ARRA, the current federal share of every Indiana Medicaid payment has increased to 75%.”



IEP-required specialized transportation will soon be covered by Indiana Medicaid



Medicaid \$ for IEP Nursing Services Provided by an R.N.

The Indiana Office of Medicaid Policy and Planning received federal approval to reimburse public school corporations and charter schools for covered IEP services provided by a Registered Nurse. Although no billing instructions are yet available for IEP nursing services, the Indiana Medicaid reimbursement rate is \$39.88 per hour, billable in 15 minute increments.

Once implemented, Medicaid reimbursement for IEP nursing (R.N.) services may be claimable on a retroactive

basis. In April, school corporations and charters that intend to claim Medicaid reimbursement retroactively were advised to begin keeping documentation of IEP nursing services. Only Medicaid-enrolled school corporations that have the necessary service documentation will be able to claim retroactively for IEP nursing services.

Documentation required to support Medicaid claims includes the student's name and date of birth; date, start/stop times, duration and loca-

tion of the service; a description of the service provided; the diagnosis for which nursing care is provided; and progress notes signed and dated by the Registered Nurse providing the care. Additionally, as for all Medicaid services, the school corporations must maintain copies of the licenses of medical professionals it employs, the order or referral for the service, the student's IEP, the signed parental consent to bill Medicaid and attendance records for students and staff.

Medicaid Reimbursement—75% Federal + 25% State \$\$

Medicaid is jointly funded by the State and Federal governments. Indiana typically funds about 40% of each payment for Medicaid-covered IEP services. Thanks to the American Recovery and Reinvestment Act (“ARRA,” aka stimulus), the current federal share of every Indiana Medicaid payment has increased to 75%.

In addition to the federal dollars they recover, Indiana Medicaid-participating school

corporations receive the same amount of state dollars as always; however a small portion of their state funds is received as part of their total Medicaid reimbursements. Participating school corporations restore the State's portion of their Medicaid payments to tuition support then use the additional federal funds however they choose. In most cases, a small part of the Medicaid money pays for billing agent services and the

rest is reinvested in the program that generated the funds (Special Ed). For example, Medicaid dollars often pay for specialized equipment, staff or parent training and travel, supplies, laptop computers for related services providers and professional development.

See the Medicaid Reimbursement Example on the last page for a breakdown of these state and federal funds.

Medicaid-covered Specialized IEP Transportation

The Indiana Medicaid agency is in the process of promulgating a rule allowing school corporations to claim the available federal reimbursement for covered specialized transportation that is required by a student's Individualized Education Program (IEP) and provided on a day when the student receives another Medicaid-covered IEP service.

Vehicles used for specialized IEP transportation must meet the applicable school standards and drivers must comply with State safety experience, education, and certification requirements.

School corporations will be required to maintain documentation of IEP transportation services. More information on Medicaid coverage

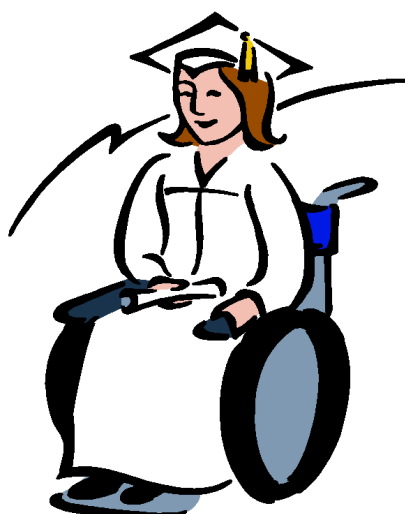
and reimbursement for IEP transportation services will be forthcoming. Watch for related SuperMail and Medicaid Billing Tool Kit updates on the IDOE's Web site.

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The Indiana Department of Education provides technical assistance to Medicaid-participating school corporations and charter schools. The Department also offers insight and information to schools interested to learn more about Medicaid claiming possibilities. Please visit the Department's Web site for free, downloadable manuals, brochures, form templates, reports, newsletter archive and other helpful information. At left is a link to IDOE's School-based Medicaid Web page, along with contact information for IDOE staff who can answer your questions and provide additional information about federal Medicaid matching funds available for school-based services.



Across the Nation

The National Alliance for Medicaid in Education, NAME, Inc., will hold its annual conference in Williamsburg, Virginia from September 22 through September 24, 2010. Preceding the conference, on Tuesday, September 21, 2010, the Alliance will again offer its popular "Academy" for those who are new to Medicaid billing for IEP services. A pre-conference Innovations session is also planned for veterans to share "what works" in their state and local school-based Medicaid programs.

Preliminary conference program and registration information is available at: www.medicaidforeducation.org. NAME's Web site also includes information about the organization, its purpose, goals and membership, as well as copies of presentations from past conferences, newsletters, articles and links to several States' Web sites related to Medicaid billing for health-related Special Education (IEP) services and Medicaid Administrative activities performed by public school employees or contractors.

Medicaid Reimbursement Example: the State and Federal Dollars

NET GAIN IN FEDERAL FUNDS FOR MEDICAID BILLING OF IEP SERVICES

Total Medicaid Payments for 1 Month	=	\$8,000.00
Monthly Tuition Support Payment	=	\$40,000.00
Less State Medicaid Match	=	-\$3040.00*
Less 3% of Federal Share	=	-\$148.80**
Adjusted Tuition Support Payment	=	\$36,811.20
Total Receipts (federal and state dollars)	=	\$44,811.20
Less Medicaid Billing Agent Fee (8%*** of Federal Revenue)	=	-\$396.80***
Total Monthly State and Federal Receipts	=	\$44,414.40

Total (State&Federal) Medicaid \$	= \$8000.00
-38% State \$ (move to tuition support)	= -\$3040.00
Gross (62%) Federal Medicaid \$	= \$4960.00
- 3% of Federal Share (State retains)	= -\$ 148.80
- 8%*** of Fed Share - Billing Agent Fee	= -\$ 396.80***
Net Additional Federal Funds	= \$ 4,414.40

***Note: Billing Agent Fees vary by vendor.

Net Additional Federal Funds = \$4,414.40